



DEPARTMENT OF ENERGY

[Docket No. 13-132-LNG]

Magnolia LNG, LLC; Request for Limited Extension to Start Date of Term of Authorization

AGENCY: Office of Fossil Energy and Carbon Management, Department of Energy.

ACTION: Notice of request.

SUMMARY: The Office of Fossil Energy and Carbon Management (FECM) (formerly the Office of Fossil Energy) of the Department of Energy (DOE) gives notice (Notice) of receipt of a request (Request), filed by Magnolia LNG, LLC (Magnolia) on March 20, 2023. Magnolia requests an amendment to its existing authorization to export domestically produced liquefied natural gas (LNG) to non-free trade agreement countries set forth in DOE/FE Order No. 3909, as amended most recently in DOE/FECM Order No. 3909-C—specifically, an extension of its deadline to commence export operations. Magnolia filed its request under the Natural Gas Act (NGA).

Protests, motions to intervene, notices of intervention, and written comments are invited.

DATES: Protests, motions to intervene, or notices of intervention, as applicable, and written comments are to be filed electronically as detailed in the **Public Comment Procedures** section no later than 4:30 p.m., Eastern time, **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES:

Electronic Filing by email:

fergas@hq.doe.gov

Although DOE has routinely accepted public comment submissions through a variety of mechanisms, including postal mail and hand delivery/courier, DOE has found it necessary to make temporary modifications to the comment submission process in light of the ongoing Covid-19 pandemic. DOE is currently accepting only electronic submissions at this time. If a commenter finds that this change poses an undue hardship, please contact Office of Resource Sustainability

staff at (202) 586-4749 or (202) 586-7893 to discuss the need for alternative arrangements. Once the Covid-19 pandemic health emergency is resolved, DOE anticipates resuming all of its regular options for public comment submission, including postal mail and hand delivery/courier.

FOR FURTHER INFORMATION CONTACT:

Jennifer Wade or Peri Ulrey
U.S. Department of Energy (FE-34)
Office of Regulation, Analysis, and Engagement
Office of Resource Sustainability
Office of Fossil Energy and Carbon Management
Forrestal Building, Room 3E-042
1000 Independence Avenue SW,
Washington, DC 20585
(202) 586-4749 or (202) 586-7893
jennifer.wade@hq.doe.gov or *peri.ulrey@hq.doe.gov*

Cassandra Bernstein
U.S. Department of Energy (GC-76)
Office of the Assistant General Counsel for Energy Delivery and Resilience
Forrestal Building, Room 6D-033
1000 Independence Avenue SW,
Washington, DC 20585
(202) 586-9793
cassandra.bernstein@hq.doe.gov

SUPPLEMENTARY INFORMATION:

Under DOE/FE Order No. 3909, as amended most recently in DOE/FECM Order No. 3909-C,¹ Magnolia is authorized to export domestically produced LNG by vessel from the proposed Magnolia LNG Project, a natural gas liquefaction and LNG export terminal to be located near Lake Charles, Calcasieu Parish, Louisiana, to any country with which the United States has not entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (non-FTA countries).² Magnolia is authorized

¹ *Magnolia LNG, LLC*, DOE/FE Order No. 3909, Docket No. 13-132-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Magnolia LNG Terminal to be Constructed in Lake Charles, Louisiana, to Non-Free Trade Agreement Nations (Nov. 30, 2016), *reh'g denied*, Order No. 3909-A (Apr. 2, 2018), *amended by* Order No. 3909-B (Dec. 10, 2020) (extending export term), *further amended by* Order No. 3909-C (Apr. 27, 2022) (increasing export volume), *reh'g denied*, Order No. 3909-D (June 24, 2022). On August 22, 2022, Sierra Club filed a petition for review of DOE/FECM Order Nos. 3909-C and 3909-D in the United States Court of Appeals for the District of Columbia Circuit. That case is ongoing. See *Sierra Club v. U.S. Dep't of Energy*, No. 22-1217, Order (D.C. Cir. Feb. 28, 2023).

² 15 U.S.C. 717b(a).

to export this LNG in a volume equivalent to 449 billion cubic feet per year (Bcf/yr) of natural gas for a term extending through December 31, 2050.³

As relevant here, Order No. 3909-C requires Magnolia to “commence export operations using the planned liquefaction facilities no later than seven years from the date of issuance of Order No. 3909 (*i.e.*, by November 30, 2023).”⁴ In the Request, Magnolia asks DOE to extend this commencement deadline from November 30, 2023, to April 15, 2026—an extension of approximately 29 months.⁵

In support of this Request, Magnolia states that, on October 7, 2020, FERC issued an order granting Magnolia’s request for a five-year extension of time—from April 15, 2021, to April 15, 2026—to complete construction of the Magnolia LNG Project and to make it available for service (FERC Extension Order).⁶ Magnolia states that its Request, if granted, would “align its commencement of [export] deadline under Order No. 3909 (as amended) with its completion of construction deadline under its FERC Authorization, as amended by the FERC Extension of Time Order.”⁷ According to Magnolia, this alignment of DOE and FERC deadlines would “ensure the terms of its non-FTA authorization accommodates its current construction schedule and its non-FTA authorization remains valid during construction.”⁸ Magnolia further states that it is not seeking to modify any aspect of Order No. 3909, as amended, beyond extending the existing export commencement deadline to April 15, 2026.⁹

Magnolia asserts that good cause exists to grant the requested extension to its export commencement deadline. Magnolia identifies the actions it has taken to date to develop the Magnolia LNG Project, the “unforeseeable developments in the global LNG market” that have

³ See *supra* note 1 (Order Nos. 3909-B and 3909-C).

⁴ *Magnolia LNG, LLC*, DOE/FE Order No. 3909-C, at 68 (Ordering Para. D) (citing *Magnolia LNG, LLC*, DOE/FE Order No. 3909, at 161 (Term and Condition B), 168 (Ordering Para. D)).

⁵ *Magnolia LNG, LLC*, Request for Limited Extension to Start Date of Term Authorization, Docket No. 13-132-LNG, 1, 5 (Mar. 20, 2023) [hereinafter Request].

⁶ *Id.* at 4 (citing *Magnolia LNG, LLC*, FERC Staff Letter Order, Request for Extension of Time (Oct. 7, 2020)). The FERC Extension Order is available at https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20201007-3041.

⁷ *Id.* at 7.

⁸ *Id.* at 5.

⁹ *Id.* at 8; see also *id.* at 5.

affected Magnolia (and its former parent company, Glenfarne Group, LLC), and its intention to execute commercial agreements sufficient to support a positive final investment decision for the Magnolia LNG Project within the requested timeframe.¹⁰

Magnolia adds that, because it is not proposing any change to the approved design, operation, or export capacity of the Magnolia LNG Project, DOE's public interest analyses under NGA section 3(a)¹¹ set forth in Order Nos. 3909 and 3909-C "need not be revisited by [DOE] in granting the Request."¹²

Additional details can be found in the Request, posted on the DOE website at:

[www.energy.gov/sites/default/files/2023-](http://www.energy.gov/sites/default/files/2023-03/Magnolia%20LNG%20LLC%20Request%20for%20Extension%20of%20NFTA%20Commencement%20of%20Service%20Deadline.pdf)

[03/Magnolia%20LNG%20LLC%20Request%20for%20Extension%20of%20NFTA%20Commencement%20of%20Service%20Deadline.pdf](http://www.energy.gov/sites/default/files/2023-03/Magnolia%20LNG%20LLC%20Request%20for%20Extension%20of%20NFTA%20Commencement%20of%20Service%20Deadline.pdf).

DOE Evaluation

In reviewing Magnolia's Request, DOE will consider any issues required by law or policy under NGA section 3(a). To the extent appropriate, DOE will consider the study entitled, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (2018 LNG Export Study),¹³ DOE's response to public comments received on that Study,¹⁴ and the following environmental documents:

- *Addendum to Environmental Review Documents Concerning Exports of Natural Gas From the United States*, 79 FR 48132 (Aug. 15, 2014);¹⁵
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States*, 79 FR 32260 (June 4, 2014);¹⁶ and

¹⁰ *Id.* at 7.

¹¹ 15 U.S.C. 717b(a).

¹² Request at 8.

¹³ See NERA Economic Consulting, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (June 7, 2018), www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf.

¹⁴ U.S. Dep't of Energy, *Study on Macroeconomic Outcomes of LNG Exports: Response to Comments Received on Study; Notice of Response to Comments*, 83 FR 67251 (Dec. 28, 2018), www.govinfo.gov/content/pkg/FR-2018-12-28/pdf/2018-28238.pdf.

¹⁵ The Addendum and related documents are available at www.energy.gov/fecm/addendum-environmental-review-documents-concerning-exports-natural-gas-united-states.

¹⁶ The 2014 Life Cycle Greenhouse Gas Report is available at www.energy.gov/fecm/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states.

- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update*, 84 FR 49278 (Sept. 19, 2019), and DOE's response to public comments received on that study.¹⁷

Parties that may oppose the Request should address these issues and documents in their comments and/or protests, as well as other issues deemed relevant to the Request.

The National Environmental Policy Act (NEPA), 42 U.S.C. 4321 *et seq.*, requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its environmental responsibilities.

Public Comment Procedures

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable, addressing the Request. Interested parties will be provided 30 days from the date of publication of this Notice in which to submit comments, protests, motions to intervene, or notices of intervention. The public previously was given an opportunity to intervene in, protest, and comment on Magnolia's prior non-FTA applications in Docket No. 13-132-LNG.¹⁸ Therefore, DOE will not consider comments or protests that do not bear directly on this Request.

Any person wishing to become a party to this proceeding evaluating Magnolia's Request must file a motion to intervene or notice of intervention.¹⁹ The filing of comments or a protest with respect to the Request will not serve to make the commenter or protestant a party to this proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Request. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR part 590, including the service requirements.

¹⁷ U.S. Dep't of Energy, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update – Response to Comments*, 85 FR 72 (Jan. 2, 2020). The 2019 Update and related documents are available at <https://fossil.energy.gov/app/docketindex/docket/index/21>.

¹⁸ See *supra* note 1.

¹⁹ Status as an intervenor in prior proceeding(s) in this docket does not continue to this proceeding evaluating Magnolia's Request, and therefore any person interested in intervening must file a new motion to intervene (or notice of intervention, as applicable). 10 CFR 590.303.

As noted, DOE is only accepting electronic submissions at this time. Please email the filing to fergas@hq.doe.gov. All filings must include a reference to “Docket No. 13-132-LNG” or “Magnolia LNG, LLC Request for Limited Extension” in the title line.

Please Note: Please include all related documents and attachments (*e.g.*, exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are filed in a timely manner.

The Request and any filed protests, motions to intervene, notices of intervention, and comments will also be available electronically by going to the following DOE Web address:
www.energy.gov/fecm/regulation.

A decisional record on the Request will be developed through responses to this Notice by parties, including the parties’ written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Order may be issued based on the official record, including the Request and responses filed by parties pursuant to this Notice, in accordance with 10 CFR 590.316.

Signed in Washington, DC, on April 10, 2023.

Amy Sweeney,
*Director, Office of Regulation, Analysis, and Engagement,
Office of Resource Sustainability.*

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